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September 1, 2006

Chairman Tom Coburn
Senate Homeland Security and Governmental Affairs Subcommittee
on Federal Financial Management
439 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Coburn:

President Mary Sue Coleman has asked me to respond to your July 27, 2006, letter inquiring into the policies of the University of Michigan related to Congressional appropriations allocated to our institution. The University has a long-standing policy related to projects supported by specific Congressionally-directed funds. These awards make up a very small portion of the University's total federal research funding (for example, in 2005, \$5.3 million out of just over \$570 million came from Congressionally-designated sources).

Overall, the University of Michigan strongly supports scientific peer review as the primary and best mechanism to allocate federal research funds. Accordingly, it is general practice not to seek or accept Congressionally-directed or "earmarked" funds, and there have been one or two instances over the years when we have returned such funds when inadvertently secured by individual faculty. The University has, however, accepted such funds in rare instances where a number of certain critical conditions have been met. Further detail on the University of Michigan's earmark policy can be found on our website at: <http://www.research.umich.edu/policies/earmarkpolicy.html>.

In recent years, the University has received Congressionally-designated appropriations related to programs ranging from biomedical sciences facility support to research on alternative fuels and propulsion systems for automobiles and trucks. In fiscal year 2006, for example, Congress approved \$1.7 million to support additional member institutions to the Automotive Research Center (ARC) – a University of Michigan-led U.S. Army Center of Excellence *originally established with competitively-won dollars* for research on advancing technology of high fidelity simulation of military and civilian ground vehicles. ARC is the key basic research partner of the National Automotive Center at the U.S. Army Tank-Automotive and Armaments Command. Its original members included the University of Michigan, Howard University, the University of Iowa, Wayne State University, and the University of Wisconsin and now also include Clemson University,

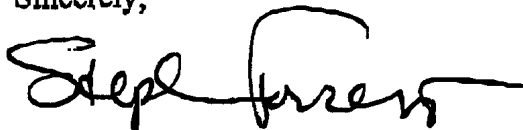
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Oakland University, the University of Alaska Fairbanks, and the University of Tennessee as well.

ARC supports critical development of a realistic interactive simulation network for designing large complex automotive systems, and promotes technical interaction between the defense and civilian automotive sectors. In recent years the Center has focused on research involving high-mileage, low-polluting vehicles, particularly those employing hybrid powertrains. The Center also addresses new high technology needs for large trucks and off-road vehicles. Finally, ARC provides opportunities for government and industry engineers and scientists to pursue focused masters and doctoral programs at its participating universities and to work as research personnel within the Center. University of Michigan's program itself also includes distance-learning programs at industrial sites.

As requested, a list of earmarks that, to our knowledge, have been approved by Congress for the University since 2000 is attached. Please let me know if you have additional questions.

Sincerely,



Stephen R. Forrest

SRF/jcr

Attachment

Cc: *University of Michigan:*
Mary Sue Coleman, President
Cynthia H. Wilbanks, Vice President for Government Relations
Marvin G. Parnes, Associate Vice President for Research
Julie A. Peterson, Associate Vice President for Media Relations
Sarah K. Walkling, Director of Federal Relations for Research

University of Michigan Earmarks

<i>Year</i>	<i>Department</i>	<i>Request</i>	<i>Dollar Amount</i>
2005	Defense	Automotive Research Center	\$2.2 million (shared with other institutions)
	Defense	Alternative Fuels Research	\$2.1 million
	Transportation	Automotive Crash Network	\$1.5 million
2004	Defense	Automotive Research Center	\$3.75 million (shared with other institutions)
	Health Resources and Services Administration	Biomedical Science Research Building	\$600,000
2003	Defense	Automotive Research Center	\$5.1 million (shared with other institutions)
	Education	Gerald R. Ford School of Public Policy	\$1.987 million
	Health Resources and Services Administration	Biomedical Science Research Building	\$365,000
2002	Defense	Automotive Research Center	\$2.8 million (shared with other institutions)
	Education	Gerald R. Ford School of Public Policy	\$2 million
2001	Defense	Automotive Research Center	\$2 million (shared with other institutions)
2000	Defense	Automotive Research Center	\$4 million (shared with other institutions)